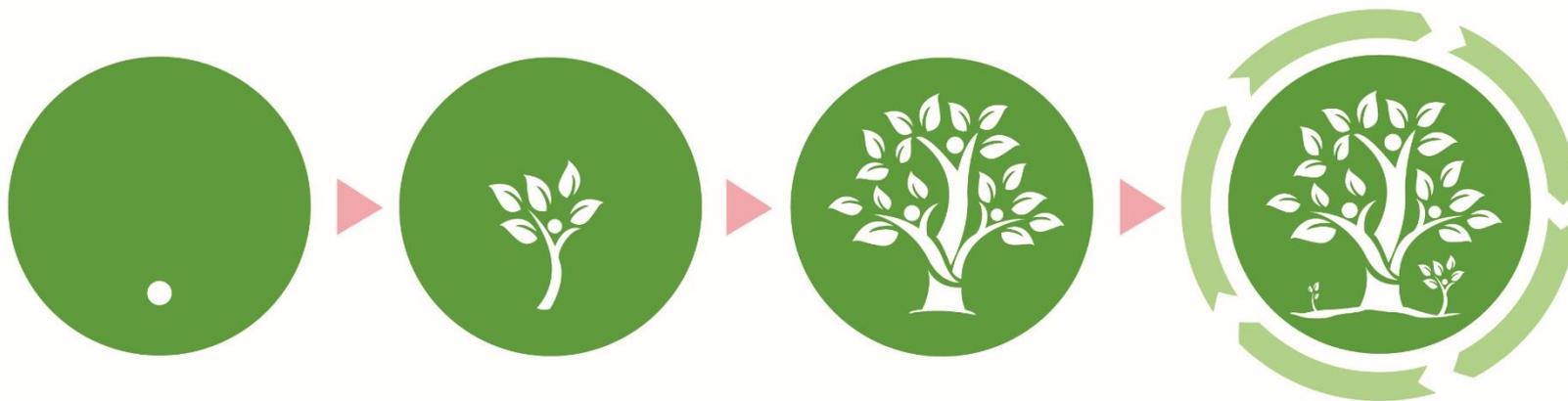


Session 3

Philanthropic Strategy Options

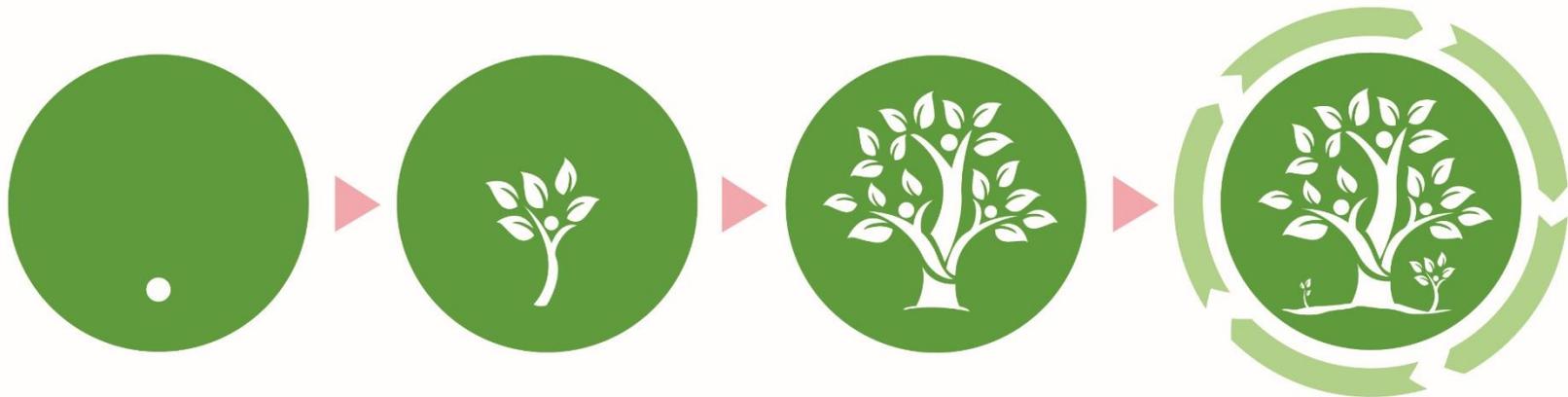
Link to Recorded Webinar:

<http://energizingentrepreneurs.adobeconnect.com/pshvbqzbz15ym/>



Session 3
Philanthropic Strategy Options
Advancing Philanthropy in Rural Maryland

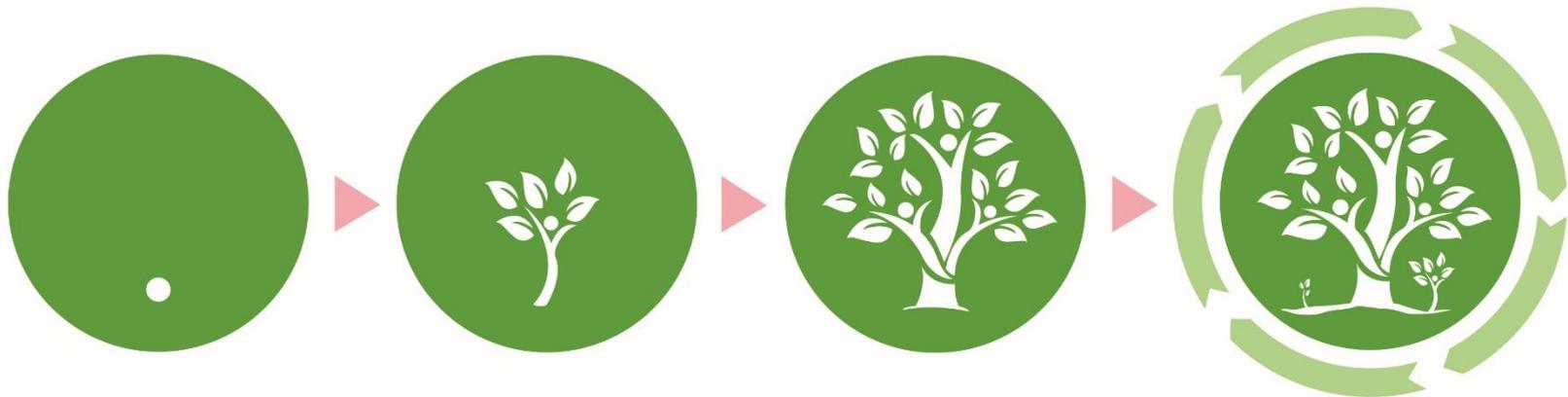
February 16, 2018



Charlotte

Welcome – Introductions -- Thoughts

Rural Maryland Council and Foundation



About the Project

The desired outcome of this project is to capitalize on the Council's investment in Transfer of Wealth Opportunity analysis into a philanthropy initiative to growth rural Maryland legacy philanthropy in support of community economic development.

Session 1 - October 2017 – Orientation Session

Session 2 - January 19th – Goal Clarification and Setting

Session 3 - February 16th – Strategy Options

Session 4 - March 16th – Strategy Development

Session 5 - April 20th – Moving to Action

The Center will be providing model resources and materials.



Proposed Working Process

Organized Around Working Webinars

Pre-Session Homework

Readings – Exercises - Sharing

Working Session

Content – Discussion – Decisions – Commitments

Post-Session Homework

Follow Up Work – Sharing

Repeat the Process through Each Initiative Element

Goals – Strategy – Actions



Session 3 Proposed Flow



1. **Session 2 Review – Goals**
2. **Three Stories**
3. **Strategy Options**
4. **Questions, Discussion & Guidance**
5. **Homework for Session 4**
6. **Next Sessions**

Please refer to the agenda for greater detail.



Online resource

<https://goo.gl/v5fw5r>

Dana Williams – dana@e2mail.org or 402.323.7336



Session 2 Review

Strategy Vision



Overall Strategy Vision

Keep wealth in rural Maryland.

October 2017 Goal Brainstorming...

Engage foundations in the initiative.

Engage community foundations, private foundation and non-profits.

Support enhanced estate planning.

Provide best practices.

Help rural Maryland minority farmers.

Provide gap financing.



Possible Strategy Goals



1. Map potential community philanthropy stakeholders (e.g., foundations, non-profits & community economic development stakeholders).
2. Engage willing stakeholders in the development of a robust and sustainable community philanthropy initiative.
3. Make sure very rural community in Maryland has foundation services.
4. Evolve development visions that will catalyze donor interest and giving.
5. Enhance donor development strategies and services.

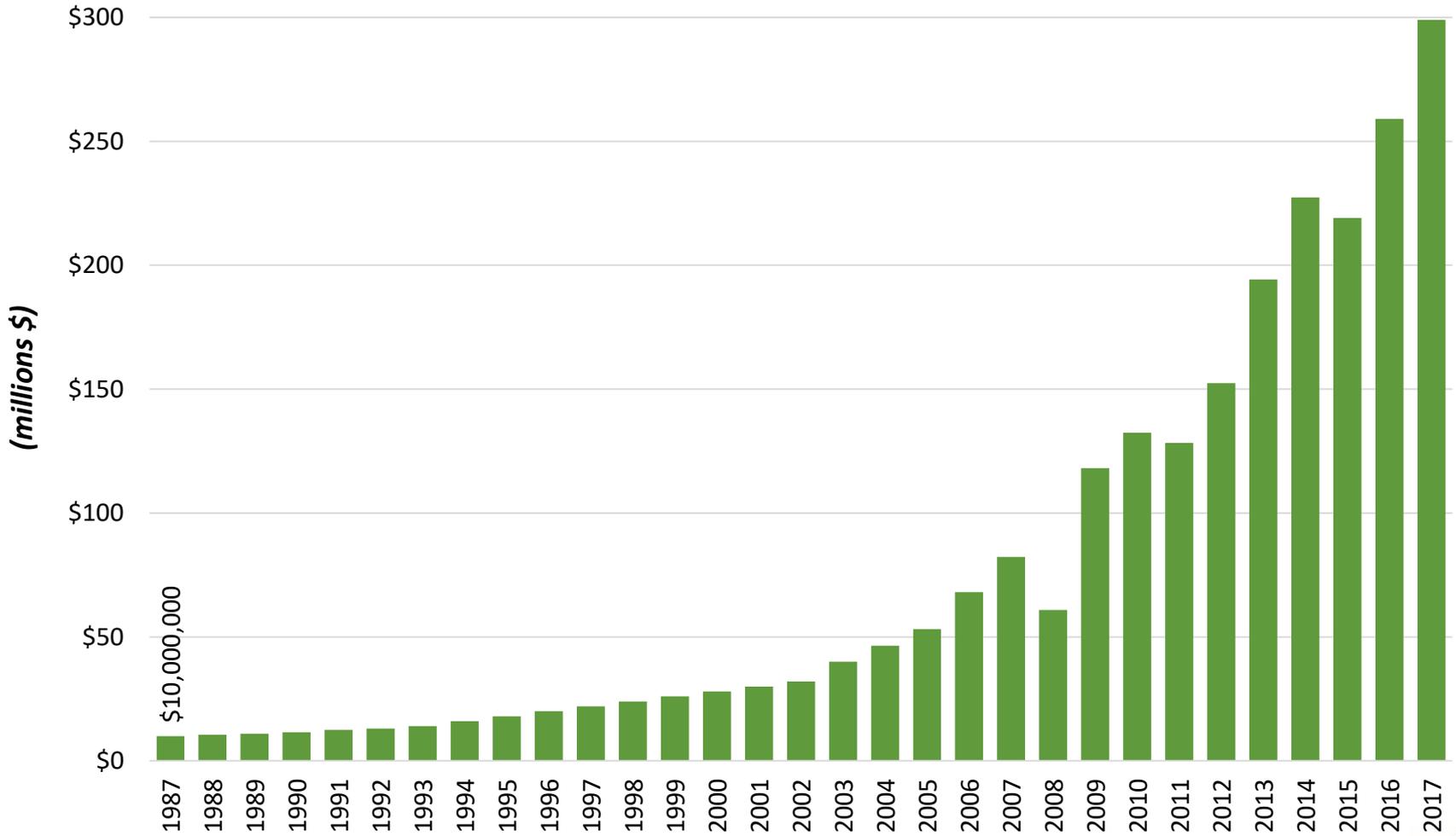


Three Stories

South Dakota Community Foundation
Nebraska Community Foundation
Kansas Health Foundation & NetWork Kansas

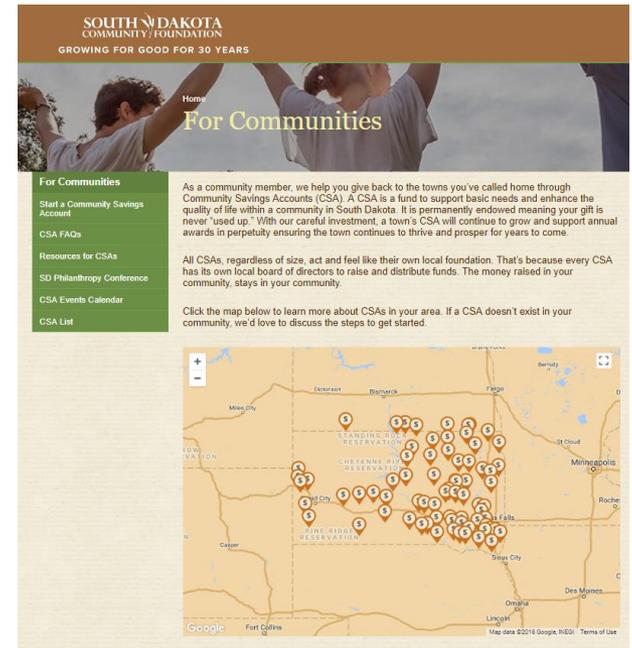


South Dakota CF Asset Growth



South Dakota Community Foundation

- **Founded 1987 – 31 Years Old**
- **Serves Rural South Dakota**
- **Excludes Major Cities**
- **Not a Wealthy State**
- **850 Endowed Funds**
- **\$300 million in Assets**
- **Used TOW Extensively – 2 Studies**
- **Agriculture & Business Wealth**
- **All Donors Strategy**
- **Relatively Passive Strategy**



SOUTH DAKOTA
COMMUNITY FOUNDATION
GROWING FOR GOOD FOR 30 YEARS

Home
For Communities

For Communities

- Start a Community Savings Account
- CSA FAQs
- Resources for CSAs
- SD Philanthropy Conference
- CSA Events Calendar
- CSA List

As a community member, we help you give back to the towns you've called home through Community Savings Accounts (CSA). A CSA is a fund to support basic needs and enhance the quality of life within a community in South Dakota. It is permanently endowed meaning your gift is never 'used up.' With our careful investment, a town's CSA will continue to grow and support annual awards in perpetuity ensuring the town continues to thrive and prosper for years to come.

All CSAs, regardless of size, act and feel like their own local foundation. That's because every CSA has its own local board of directors to raise and distribute funds. The money raised in your community, stays in your community.

Click the map below to learn more about CSAs in your area. If a CSA doesn't exist in your community, we'd love to discuss the steps to get started.

Map showing the locations of Community Savings Accounts (CSAs) across South Dakota, with markers indicating the number of CSAs in each area. The map includes labels for major cities and reservations such as Minot, Bismarck, Pierre, Rapid City, and the Standing Rock, Cheyenne, and Pine Ridge Reservations.

Nebraska CF Asset Growth

Building Assets for Today and Tomorrow

(\$ in millions)

- Estimated Planned Gifts
- Non-Permanent Assets
- Endowed Assets



NCF in Numbers

- 219 affiliated funds serving 250 communities in 80 counties
- 1,487 volunteer Fund Advisory Committee members
- 8,506 contributions in FY 2017
- 39,142 contributions in the last five years
- \$80.3 million in endowed assets
- \$130.6 million in total assets
- 307 planned gifts totaling \$60.2 million
- \$291.6 million reinvested in Nebraska and its hometowns since 1994 (\$128.6 million in the last five years)
- \$603 billion estimated intergenerational transfer of wealth in Nebraska by 2060

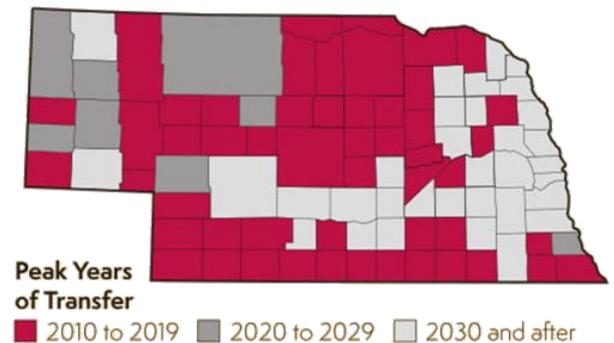


Nebraska Community Foundation

- **Founded 1995 –23 Years Old**
- **Serves Rural Nebraska**
- **Used TOW to Set Goals**
- **2019 Affiliates, 250 Communities**
- **80 of 93 Counties Served**
- **8,507 Contributions in 2017**
- **\$131 million in Total Assets**
- **Nearly \$200m with Planned Gifts**
- **Nearly \$300 million in Grants**



Nebraska Community Foundation
Intergenerational Transfer of Wealth Analysis

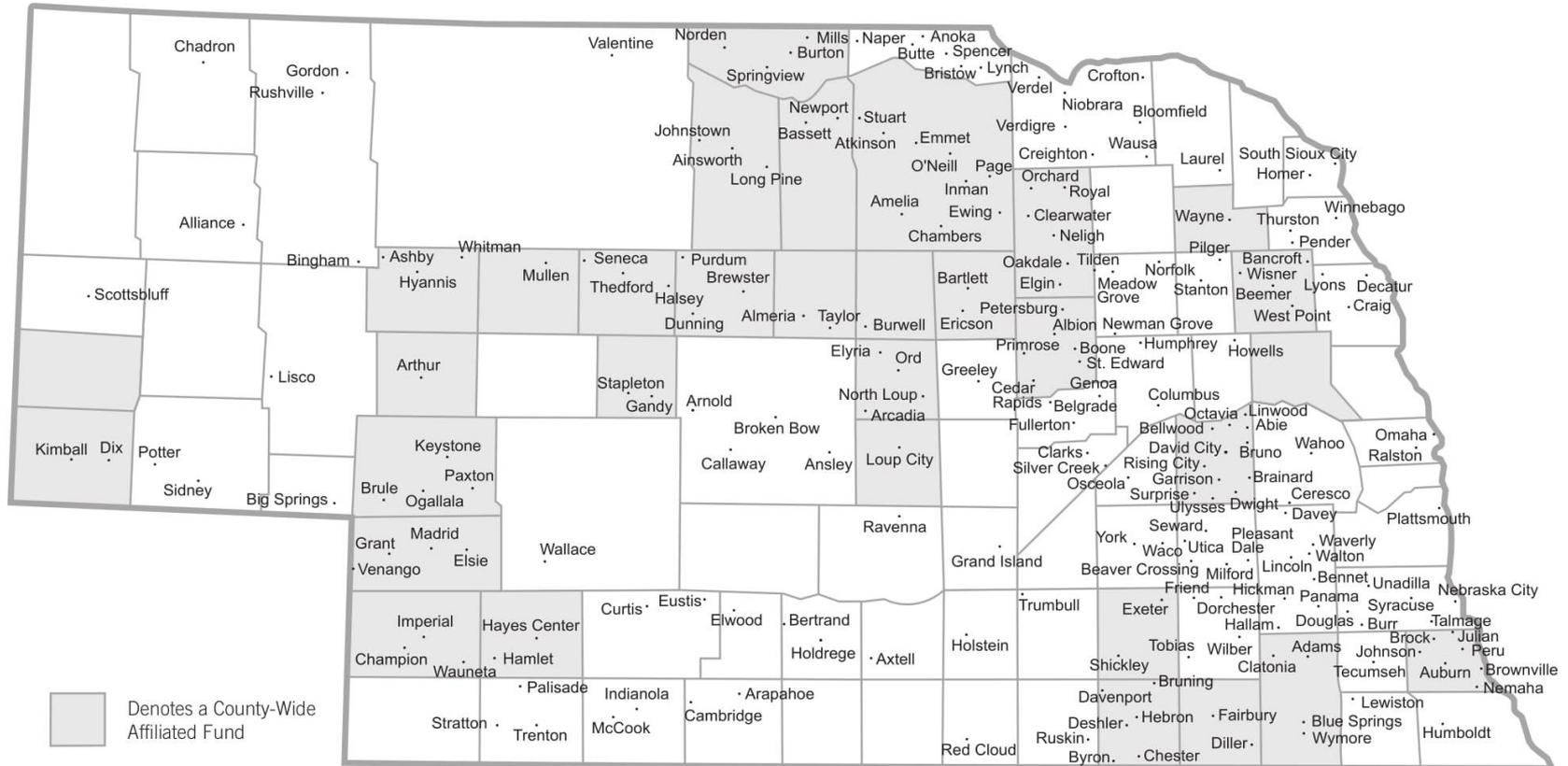


NCF – Grassroots Approach

**Benefiting 250 Communities
in 80 Counties**

June 30, 2017

This map depicts counties and communities that benefit from planned gifts and affiliated funds of Nebraska Community Foundation.



Kansas Health Foundation

- **Health Care Conversion Foundation**
- **Statewide Mission**
- **Strategic Areas of Focus:**
 - **Kansas Leadership Center**
 - **Philanthropic Initiative**
- **20 Year Commitment to Philanthropy**
- **Funded Two TOW Studies**
- **Supports Statewide Association**
- **Next Generation Strategy:**
 - **Passive to Aggressive**
 - **Partnering with NetWork Kansas**
 - **Culture Change Strategy**
 - **Impact Investing**



KANSAS HEALTH
FOUNDATION

NetWork Kansas

- **20 Year Initiative**
- **Public Private Partnership**
- **Entrepreneur Focused Development**
- **E-Communities Program**
- **Partnering with the KHF**
- **Kansas Future Funds (Gap Funding):**
 - **Area & Statewide**
 - **Entrepreneurship**
 - **Community Facilities**
 - **Affordable Housing**
 - **Etc...**



Emerging Initiative

Philanthropy / Development Strategic Partnerships

Kansas Future Funds

Augment Eroding Government Gap Financing

Culture Change



Strategy Options



Getting Started



- 1. Set a Visionary Goal**
- 2. Declare an Initiative**
- 3. Soft & Hard Rollouts**
- 4. Empower a Consortium**
- 5. Secure Underwriters**
- 6. Donor Development**
- 7. Endowment Building**
- 8. Future Funds**



Initiative & Consortium



- **Both Foundations & Development Interests**
- **Consider a Regional Pilots**
- **Start Where there is Energy**
- **Educate & Motivate**
- **Then Leverage to Scale**
- **Remember Culture Change**



Consider the Basics



- **Every community has access to community foundation affiliation services.**
- **Partner with existing area non-profits and particularly development groups.**
- **Provide basic foundation development technical assistance.**



Funding Underwriters



- Rural Donors
- Existing Private Foundations
- Rural Focused Philanthropy
- State Support?

Do Your Mapping!

- 5-7 Year Commitments

To do this right will require material support and a longer-term commitment. 3-5 years to demonstrate – transformative in 20 years.



Future Funds - Legacies



- **Future Funds**
- **Endowment Challenge Grants**
- **State Giving Incentives**
Montana – Iowa - Kentucky
- **Hybrid Approach:**
 - ✓ **Immediate Support**
 - ✓ **Restricted Endowments**
 - ✓ **Unrestricted Endowments**
 - ✓ **Development Funding**



Culture Change Considerations

<p>Historic or Traditional Foundation Role & Mission</p> <p><i>Private Donor Services are Driving Public Foundations To Reposition</i></p> <p>Next Generation Role & Mission</p>	Donor Advisory Funds		Affinity Funds	<p>Donor Centric</p> <p><i>Threat of Private & For-Profit Donor Service Firms Competition</i></p> <p>Community Impact Centric</p>
	<i>Support Favorite Charities</i>	<i>Do Good Work Focus Strategic?</i>	<i>Targeted Grant Making like Scholarships</i>	
	Community Focus		<i>Aligning Donor Advised Funds and Targeted Grant Making With Community Priorities</i>	
	<i>Convening Role</i>	<i>Supporting Research</i>		
	<i>Non-Profit Engagement</i>	<i>Strategic Initiatives</i>		
	Strategic Grant Making			
	<i>Challenge Grants</i>	<i>Strategic Endowments</i>	<i>Non-Profit Endowments</i>	
	Impact Oriented Donor Development			
	<i>Strategic Directions</i>	<i>Strategic Grant Making</i>	<i>Philanthropic Impact Investing</i>	
	Future Funds			

Using TOW to Motivate



2017 TOW Opportunity Findings



10-Year TOW Opportunity

U.S. = \$7.68 trillion (\$63k)

Maryland = \$219 billion (\$98k)

Rural Maryland = \$64 billion (\$99k)

5% Legacy Giving Goal

\$3.2 billion

5% Sustaining Grantmaking

\$160 million annually

\$1.6 billion every decade



Endowment Illustration

Year	Beginning Endowment Principal	Annual Earnings	Annual Grants	Ending Endowment Principal
2017	\$3,200,000,000	\$240,000,000	\$144,000,000	\$3,296,000,000
2018	\$3,296,000,000	\$247,200,000	\$148,320,000	\$3,394,880,000
2019	\$3,394,880,000	\$254,616,000	\$152,769,600	\$3,496,726,400
2020	\$3,496,726,400	\$262,254,480	\$157,352,688	\$3,601,628,192
2021	\$3,601,628,192	\$270,122,114	\$162,073,269	\$3,709,677,038
2022	\$3,709,677,038	\$278,225,778	\$166,935,467	\$3,820,967,349
2023	\$3,820,967,349	\$286,572,551	\$171,943,531	\$3,935,596,369
2024	\$3,935,596,369	\$295,169,728	\$177,101,837	\$4,053,664,260
2025	\$4,053,664,260	\$304,024,820	\$182,414,892	\$4,175,274,188
2026	\$4,175,274,188	\$313,145,564	\$187,887,338	\$4,300,532,414
2027	\$4,300,532,414	\$322,539,931	\$193,523,959	\$4,429,548,386
2028	\$4,429,548,386	\$332,216,129	\$199,329,677	\$4,562,434,838
2029	\$4,562,434,838	\$342,182,613	\$205,309,568	\$4,699,307,883
2030	\$4,699,307,883	\$352,448,091	\$211,468,855	\$4,840,287,120
2031	\$4,840,287,120	\$363,021,534	\$217,812,920	\$4,985,495,733
2032	\$4,985,495,733	\$373,912,180	\$224,347,308	\$5,135,060,605
2033	\$5,135,060,605	\$385,129,545	\$231,077,727	\$5,289,112,423
2034	\$5,289,112,423	\$396,683,432	\$238,010,059	\$5,447,785,796
2035	\$5,447,785,796	\$408,583,935	\$245,150,361	\$5,611,219,370
2036	\$5,611,219,370	\$420,841,453	\$252,504,872	\$5,779,555,951
2037	\$5,779,555,951	\$433,466,696	\$260,080,018	\$5,952,942,629
Total Grants			\$4,129,413,944	



Next Steps

Session 3 – Strategy Options – February 16th

Review the Session 3 notes and webinar. Reach out to others in your area with philanthropic and development connections. Share and seek their input. Give thought to your preferences for shaping a rural Maryland philanthropic strategy. Be prepared to share back during our March 16th working session.

Session 4 – Strategy Decisions – March 16th

On March 16th we will begin to narrow down our strategy approach so that we can focus our April working session on actual action planning. Following this session we develop a “strategy prospectus” than can be used to energize partners to pursue implementation of this initiative.



For More Information

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